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ARIZONA CORPORATION COMMISSION

June 6, 2005

Ms. Chris Palacios Senior Vice President Central Arizona Division Southwest Gas Corporation 10851 North Black Canyon Highway Phoenix, Arizona 85029

Re: Tucson Natural Gas Explosion

Dear Ms. Palacios:

In the late afternoon hours of Friday, May 27, a natural gas explosion involving a Southwest Gas pipeline outside a Tucson apartment complex nearly killed a man and required the evacuation of several families from their homes. The explosion was so violent that it lifted the roof up and dropped it down askew. News accounts following the fire indicate that representatives of Southwest Gas have concluded that the cause of the explosion was a leak in one of the company's pipes located about fifty feet away from the residence. Clearly, this is a very serious incident that warrants an in-depth investigation by the Commission. It also raises questions about whether natural gas distributors are doing enough to detect such leaks before they cause such injury and destruction.

First, it is my understanding that the Commission's pipeline safety division is conducting an investigation, and will be submitting to you data requests as part of this process. I would expect the company to swiftly comply with those requests and provide any additional information you uncover in the aftermath of the incident.

Second, please detail for the Commission the company's response time to the explosion and the procedures employed by Southwest Gas following the rupture. Specifically, what was the process for shutting down natural gas service to the affected home and surrounding areas?

Third, have the affected neighborhood and surrounding areas been secured from this and other natural gas leaks? How quickly was that done? Was an additional leak survey conducted in the area?

Fourth, I believe this incident and others require us to consider whether local distribution companies such as Southwest Gas should be mandated to perform leak surveys every 2 to 3 years in residential areas, rather than the current federal regulations which dictate that these surveys be

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performed at least every 5 calendar years at intervals not exceeding 63 months¹. As you know, leak surveys must be done every 12 to 15 months in commercial districts. Please tell me whether you agree or disagree with that conclusion, and inform me of the last time a leak survey was performed in this neighborhood.

The fire that occurred as a result of a leak on a Southwest Gas pipe has forever altered a man's life and caused untold grief for his family. We owe to them, and to all Arizonans who reside near natural gas lines, a detailed explanation of this incident. The Commission's Staff will conduct a thorough investigation of the incident, and I believe we must continue to work toward preventing a similar tragedy from occurring in the future.

Sincerely,

Kris Mayes Commissioner

Cc: Chairman Jeff Hatch-Miller

Commissioner William Mundell Commissioner Marc Spitzer Commissioner Mike Gleason

Mayor Bob Walkup Alan Bohnenkamp

¹ 49 CFR 192.723 (b) (2)